SANTA FE COUNTY
HAPPY ROOF PROGRAM HOUSING ASSISTANCE GRANT
AFFORDABILITY AGREEMENT BETWEEN
SANTA FE COUNTY AND QUALIFYING GRANTEE

THIS Affordability Agreement ("Agreement") is entered into on this 8th day of December 2014, by and between Santa Fe County (hereinafter referred to as "County"), a New Mexico political subdivision, whose address is 102 Grant Avenue, Santa Fe, New Mexico, 87504 and **Alexis L. Dudley and Christina Winter, two single women** ("Qualifying Grantees"), whose address is **88 Verano Loop, Santa Fe, New Mexico 87508.**

RECITALS

WHEREAS, Qualifying Grantees, as owners in fee simple of real property located in the County of Santa Fe, State of New Mexico, described in Exhibit A attached hereto (the "Property"), have applied for and have been qualified for a Housing Assistance Grant ("Grant") from the Santa Fe County Housing Assistance Happy Roofs Program ("Program") pursuant to the provisions contained in the Affordable Housing Act, Section 6-27-1 NMSA 1978 *et seq.*, the New Mexico Mortgage Finance Authority Affordable Housing Rules ("MFA Rules") and the Affordable Housing Roof Repair or Replacement and Renovation Ordinance No. 2011-3 ("Ordinance");

WHEREAS, The Affordable Housing Act, the MFA Rules and the Ordinance impose occupancy and transfer requirements for the duration of an established Affordability Period, described in Section 3 of this Agreement.

NOW, THEREFORE, IT IS MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. SCOPE OF AGREEMENT. In order to satisfy the requirements of the Affordable Housing Act, the MFA Rules and the Ordinance and enable the County to issue the aforementioned Housing Assistance Grant and in consideration of the Grant and of the mutual covenants and understandings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Qualifying Grantees and the County agree as follows:

A. This Agreement is in consideration of the Grant from the County to the Qualifying Grantees in the amount of **$10,000.00.** Qualifying Grantees understand and agree that the Grant shall not be repaid to the County, with the exception of paragraph (D) below.

B. The Grant has been made to Qualifying Grantees through the Program after Qualifying Grantees submitted their application and were certified as Qualifying Grantees pursuant to the applicable rules of the Program. The Grant to Qualifying Grantees is made only if Qualifying Grantees agree to the restrictions and requirements of all applicable rules and the Ordinance and as further set forth below.

C. The Qualifying Grantees hereby agree to maintain the Property, as identified by the Program and Exhibit A to this Agreement, as an owner-occupied, single family residential property for residential purposes only, until the expiration of the Affordability Period as defined in Section 3 of this Agreement; notwithstanding the foregoing:

   i. the Property, the Agreement and the Grant, secured by a note and mortgage, may be transferred consistent with this Agreement with written approval of the County Affordable Housing Administrator pursuant to applicable rules and Ordinance, only if the transfer is to a person or family relation who is of low or moderate income, as established pursuant to the provisions contained in the Ordinance and Program; so long as such person or family member covenants and promises in writing to maintain the Property as the transferee's principal residence for the remainder of the Affordability Period set forth in this Agreement and otherwise to comply with all the terms and conditions of this Agreement; or

   ii. the Property, the Agreement and the Grant, secured by a note and mortgage, may be transferred if the transfer is the result of the death of the Qualifying Grantees or the transfer is by devise or operation of law to the Qualifying Grantees' relation by blood or marriage within the third degree, in which case the transfer will cause an immediate termination of the Affordability Period, or the transfer is required by a marital settlement agreement, required by operation of bankruptcy or other insolvency laws or otherwise required by law.

D. Except as set forth in paragraph (C) above, if, at any time during the five (5) year Affordability Period, the Property ceases to be the principal residence of the Qualifying Grantees, whether through sale or vacating of the Property or otherwise, then the entire outstanding amount of the Grant, including all accrued and unpaid interest, pursuant to Section 2 of this Agreement, will be immediately due and payable to the County. If such payment is not paid upon demand by the County by the Qualifying Grantees or valid transferee within thirty (30) days of such demand, the Qualifying Grantees or valid transferee shall be considered in default and in breach of this Agreement.

E. The County reserves the right to deny approval of a request to assume or transfer the Agreement and the Grant, secured by a note and mortgage, if the transferee cannot be certified as a qualifying grantee under the Program.

F. Qualifying Grantees certify that the entire amount of the assistance will be used to perform roof repair or replacement work (the "Work") on the Property and that the County will only release Grant funds directly to the contractor repairing or replacing the roof following the Affordable Housing Administrator's receipt of all required information, including final inspection results. The Work shall be completed no later than six (6) months from the date of this Agreement.

G. The County may, as permitted by law, recover any attorney's fees and costs and seek all remedies afforded by law should Qualifying Grantees become in default or be determined to be in breach of this Agreement by the County.

H. Qualifying Grantees agree that any default under the terms of the Grant, as those terms are set forth in this Agreement, will constitute a default under this Agreement and shall cause the full amount of the Grant to become immediately due and payable, including all accrued and unpaid interest, if any. If a default or breach of a term of this Agreement occurs, the County may proceed with all of its remedies to recover any amounts due and owing under the provisions of this Agreement and as afforded by law.

I. Qualifying Grantees understand and agree that this Agreement will terminate, if not already expired, upon the happening of any of the following events: foreclosure and sale of the Property pursuant to an order of a court of competent jurisdiction.

J. Qualifying Grantees authorize inspection of the Property by the County or its authorized agent prior to and following completion of the Work. Qualifying Grantees agree to participate in the final inspection of the Work and to delegate to the County or its authorized agent the authority to formally accept the Work and make payment for the County share of the project, provided that the Work is completed in compliance with the contractor's agreement with the Qualifying Grantees, in the sole discretion of the County.

K. Qualifying Grantees acknowledge that they have reviewed bids from contractors at several meetings, the last of which was on **November 4, 2014** and have selected **AD Affordable Roofing** to perform the Work, based on their own evaluation of the bid proposals.

L. Qualifying Grantees acknowledge that they fully understand and accept the contractor's proposed scope of work as detailed in the Proposal/Contract signed by the Qualifying Grantees on December 8, 2014, after having discussed the scope of work and the contract with the contractor prior to execution of the contract. Qualifying Grantees understand that the total cost of the roofing contract is in excess of $10,000 and agree to pay all of the costs over and above the $10,000 subsidy from the County.

M. Qualifying Grantees agree that the County is not a guarantor or indemnitor of the Work, and that any and all disputes or defects in manufacture or installation shall be matters solely between the Qualifying Grantees and the manufacturer and contractor; the Qualifying Grantees therefore release the County as to any such claims and waive any such claims. Moreover, the Qualifying Grantees agree to indemnify and hold harmless the County from and against any claims related in any way to the Work to be accomplished or completed pursuant to the terms of this Agreement. Qualifying Grantees acknowledge that the County is not responsible for any warranty claims relating to defects in manufacture or

installation of the Work by the contractor and that the resolution of such claims shall be the sole responsibility of the Qualifying Grantees.

N. Qualifying Grantees state that they have no notice of any unpaid bills or claims for labor or services performed or material furnished on the Property.

2. HOUSING ASSISTANCE GRANT. The Grant is in the amount of **$10,000.00.** If applicable, repayment of the Grant shall be the principal amount of **$10,000.00** and bearing simple interest at the rate of 5% annual percentage rate (APR).

3. EFFECTIVE DATE AND TERM OF AGREEMENT AND AFFORDABILITY PERIOD. The Affordability Period for this Grant is five (5) years, beginning as of the date this Agreement is fully executed by all parties and terminating five (5) years after execution of this Agreement. This Agreement shall remain in effect throughout the Affordability Period, unless terminated earlier pursuant to Section 1 paragraph (C) or (D) above.

4. RELEASE. Qualifying Grantees agree to release and pledge to hold harmless the County, its employees, departments, boards, past, present and future commissioners, officers, agents, servants and independent contractors acting in their individual and official capacities, from any liability resulting from the Work performed on the Property.

5. PUBLICATION, REPRODUCTION, AND USE OF MATERIAL. The County has the unrestricted right to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data, or other material prepared under or pursuant to this Agreement.

6. NO ORAL MODIFICATIONS; WRITTEN AMENDMENTS REQUIRED. This Agreement may not be modified, altered, changed, or amended orally but, rather, only by an instrument in writing executed by the parties hereto.

7. ENTIRE AGREEMENT; INTEGRATION. This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such agreements, covenants and understandings have been merged into this written Agreement. No prior or contemporaneous agreement, covenant or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

8. COMPLIANCE WITH APPLICABLE LAW; CHOICE OF LAW.

A. In performing its obligations hereunder, Qualifying Grantees shall comply with all applicable laws, ordinances, and regulations.

B. This Agreement shall be construed in accordance with the substantive laws of the State of New Mexico, without regard to its choice of law rules. Qualifying Grantees and the County agree that the exclusive forum for any litigation between them arising out of or related to this Agreement shall be the First Judicial District Court of the State of New Mexico.

9. SEVERABILITY. If any term or condition of this Agreement shall be held invalid or non-enforceable by any court of competent jurisdiction, the remainder of this Agreement shall not be affected and shall be valid and enforceable to the fullest extent of the law.

10. NOTICES. Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

For Qualifying Grantees: Alexis L. Dudley and Christina Winter
88 Verano Loop.
Santa Fe, NM 87508

For County: Affordable Housing Administrator
Santa Fe County
102 Grant Ave
Santa Fe, NM 87501

11. FACSIMILE SIGNATURES. The parties hereto agree that a facsimile signature has the same force and effect as an original for all purposes.

12. NO THIRD-PARTY BENEFICIARIES. This Agreement was not intended to and does not create any rights in any persons not a party hereto.

13. NEW MEXICO TORT CLAIMS ACT. No provision of this Agreement modifies or waives any sovereign immunity or limitation of liability enjoyed by County or its "public employees" at common law or under the New Mexico Tort Claims Act, NMSA 1978, Section 41-4-1, et seq.

14. CONDEMNATION. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to the County, subject to the terms of any mortgage, deed of trust or other security agreement with a priority over this Agreement.

15. SURVIVAL. The provisions of following paragraphs shall survive termination of this Agreement; INDEMNIFICATION, RELEASE, PUBLICATION, REPRODUCTION, AND USE OF MATERIAL; COMPLIANCE WITH APPLICABLE LAW; CHOICE OF LAW; NO THIRD-PARTY BENEFICIARIES; SURVIVAL.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the dates written below.

SANTA FE COUNTY:

Katherine Miller, County Manager

QUALIFYING GRANTEES

Alexis L. Dudley

Christina Winter

APPROVED AS TO LEGAL FORM:

11/20/14

Gregory Shaffer, County Attorney

FINANCE DEPARTMENT:

Teresa Martinez, Finance Director

Acknowledgement

State of New Mexico)
) ss.
County of Santa Fe)

This Agreement was acknowledged before me this 9 day of December, 2014, by Alexis Dudley and Christina Winter, Qualifying Grantees.

Rosemary L. Barly
Notary Public

My commission expires:

7/22/2017

Acknowledgement

State of New Mexico)
) ss.
County of Santa Fe)

This Agreement was acknowledged before me this 26th day of November, 2014, by Teresa C Martinez County Finance Director.

Notary Public

OFFICIAL SEAL
MELISSA ANAYA
Notary Public
State of New Mexico
My Comm. Expires 4/6/16

My commission expires:

Acknowledgement

State of New Mexico)
) ss.
County of Santa Fe)

OFFICIAL SEAL
Ambra Garcia
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: 8/1/17

This Agreement was acknowledged before me this 2 day of December, 2014, by Katherine Miller, County Manager.

Notary Public

My Commission Expires: 8/1/17

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

Lot 14, Block 22 El Dorado Subdivision Unit 3, T 15N R10E Section 7 otherwise known as 88 Verano Loop, Santa Fe, NM 87508.

Santa Fe County
Affordable Housing Program
Happy Roofs Program
102 Grant Avenue
Santa Fe, NM 87504
Loan No. HR-2014-3

MORTGAGE

THIS MORTGAGE ("Security Instrument"), made this 8th day of December, 2014, by and between the undersigned, **Alexis L. Dudley and Christina Winter, two single women**, ("Borrowers"), of **88 Verano Loop, Santa Fe, New Mexico 87508,** described more particularly as set forth on Exhibit A hereto, ("Property") and **the Board of County Commissioners of Santa Fe County** ("Lender"), in the principal sum of **Ten Thousand Dollars ($10,000.00)** ("Principal").

Borrowers owe Lender the Principal sum of **Ten Thousand Dollars ($10,000.00).** Borrowers' debt is evidenced by the Promissory Note ("Note") attached as Exhibit B, dated the same date as this Mortgage, which provides repayment of the Note in full unless Borrowers retain ownership of the Property and reside on the Property for a period of five (5) years following execution of the Note, and cancellation of the Note, with the consent of the Lender in its absolute and sole discretion, if the Property is transferred (by sale or otherwise) to a person of low or moderate income as established by operation of Ordinance No. 2011-3 and the regulations authorized thereunder, and the transferee agrees to execute a mortgage and Note containing the same or similar terms.

The Note may also be cancelled if the Property is transferred as a result of the death of the Qualifying Grantees or is transferred by devise of operation of law to the Qualifying Grantees' relation by blood or marriage within the third degree, or is transferred as a result of a marital settlement agreement, operation of bankruptcy or other insolvency laws.

Borrowers do hereby mortgage, grant, and convey to Lender the Property described on Exhibit A, attached hereto and incorporated herein for all purposes, together with all the improvements now or hereafter erected on the Property, and all easements, rights, appurtenances, and fixtures now or hereafter a part of the Property. All replacements and additions shall also be covered by this Security Instrument.

This Security Instrument secures to the Mortgagee: (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced pursuant to this Security Instrument, including without limitation sums advanced by Mortgagee in the exercise of remedies provided herein; (c) the performance of Borrower's covenants and agreements

herein and in this Note, all subject to the statutory mortgage condition for the breach of which it is subject to foreclosure as provided by law, and with mortgage covenants.

Borrowers and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; and Default Interest**. Borrowers shall promptly pay, when due, the principal balance of the Note and default interest due under the Note, if any.

2. **Application of Payments**. Unless otherwise required by law, all payments received by Lender shall be applied first, to accrued interest due, and then to costs incurred by Lender to enforce the Note and this Security Instrument, and then to Principal due.

3. **Charges; Liens**. Borrowers shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which may attain priority over this Security Instrument. Borrowers shall pay these charges on time directly to the person owed payment. Borrowers shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrowers makes these payments directly, Borrowers shall promptly furnish to Lender receipts evidencing the payments. Borrowers shall promptly discharge any lien which has priority over this Security Instrument except the Purchase Mortgage or any Refinance Mortgage, as defined in paragraph 14 below.

4. **Hazard or Property Insurance**. Borrowers shall keep all improvements on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrowers subject to Lender's approval, which shall not be unreasonably withheld. If Borrowers fail to maintain coverage described above, Lender may, at Lender's option and Borrower's expense, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 6.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause, adding Lender as the additional insured, and shall provide notice to Lender of cancellation or termination of such policy at least thirty (30) days prior to the effective date of termination or cancellation. If Lender requires, Borrowers shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrowers shall give prompt notice to the insurance carrier and Lender. Lender may provide proof of loss if not made promptly by Borrowers. Unless Lender and Borrowers otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not reduced. If the restoration or repair is not economically feasible or Lender's security would be reduced, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrowers. If Borrowers abandon the Property, or do not answer

within ten (10) days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due.

Notwithstanding the foregoing, all rights of Lender hereunder are and shall remain subordinate and subject to the rights of the holder of the Purchase Mortgage or any Refinance Mortgage.

5. **Occupancy, Preservation, Maintenance, and Protection of the Property**. Borrowers shall continue to occupy, establish and use the Property as Borrowers' principal residence. Borrowers shall not destroy, damage, or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrowers shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that, in Lender's good-faith judgment, could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrowers shall also be in default if Borrowers, during the application process, gave materially false or inaccurate information or statements to Lender, or failed to provide Lender with any material information in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrowers' occupancy of the Property as a principal residence.

6. **Protection of Lender's Rights in the Property**. If Borrowers fail to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph 6, Lender is under no obligation to do so.

Any amounts disbursed by Lender under this paragraph 6 shall become additional debt of Borrowers secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the rate set forth of twelve percent (12%) per annum, until repaid, and shall be payable, with interest, upon notice from Lender to Borrowers requesting payment.

7. **Inspection**. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrowers notice at the time of or prior to any inspection specifying reasonable cause for the inspection.

8. **Successor and Assigns Bound; Joint and Several Liability**. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrowers.

9. **Loan Charges**. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected, or to be collected, in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrowers which exceeded permitted limits will be refunded to Borrowers. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrowers. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

10. **Hazardous Substances**. Borrowers shall not cause or permit the presence, use, disposal, storage, or release of any hazardous substances on or in the Property. Borrowers shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any environmental law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of hazardous substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

11. **Legislation Affecting Lender's Rights**. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 12.

12. **Default; Remedies**. If (1) Borrowers shall fail to pay the sums due under the Note as and when due; or (2) Borrowers shall default on the terms of the Purchase Mortgage or any Refinance Mortgage and Borrowers shall fail to cure such default within the deadline set forth in such Purchase Mortgage or Refinance Mortgage, as such may be extended by the holder thereof; or (3) A subordinate lien or encumbrance is placed on the Property without Lender's prior written consent; or (4) Borrowers shall breach any covenant or agreement in this Security Instrument, Lender at its option, may require immediate payment in full of all sums secured by this Security Instrument and may, after notice to Borrowers and the passage of fifteen (15) days, foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph numbered 12, including, but not limited to, reasonable attorneys' fees and costs.

13. **Lender in Possession**. Upon acceleration under paragraph 12 or abandonment of the Property, Lender (in person, by agent, or by judicially appointed receiver) shall be entitled to enter upon, take possession of, and manage the Property, and to collect the rents of the Property, including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds, and reasonable attorneys' fees, and then to the sums secured by this

Security Instrument. Notwithstanding the foregoing, Lender's rights hereunder shall be subordinate and subject to the rights of the holder of the Purchase Mortgage or any Refinance Mortgage.

14. **Subordination to Purchase Mortgage and Refinance Mortgage**. Lender and Borrowers acknowledge and agree that this Security Instrument is subordinate in all respect to the liens, terms, covenants and conditions of the first mortgage ("Purchase Mortgage") including all sums advanced for the purpose of (a) protecting or further securing the lien of the Purchase Mortgage, or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property. Additionally, in the event Borrowers shall elect, from time to time, to re-finance the Purchase Mortgage, Lender agrees to execute any documentation reasonably required by Borrowers' lender to subordinate this Security Instrument to mortgage granted by Borrowers to secure such debt refinance ("Refinance Mortgage"). In connection with obtaining the Refinance Mortgage, Borrowers shall be entitled to increase the amount of debt which was initially secured by the Purchase Mortgage by an amount equal to Borrower's equity in the Property as determined by an appraisal obtained in connection with the refinance. Lender shall have no obligation to subordinate this Security Instrument to a Refinance Mortgage to the extent that the amount of the loan secured by the Refinance Mortgage exceeds the Purchase Mortgage plus Borrower's equity.

The terms and provisions of the Purchase Mortgage or a Refinance Mortgage, as the case may be, are paramount and controlling and they supersede any other term and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of the Purchase Mortgage or a Refinance Mortgage, any provisions herein or any provisions in any other collateral agreement or document restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no effect on subsequent owners or purchasers of the Property. Any person, including his successor (other than the Borrowers or a related entity of the Borrowers), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the Purchase Mortgage or a Refinance Mortgage shall receive title to the Property free and clear from such restrictions. Further, if the holder of the Purchase Mortgage or a Refinance Mortgage acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Security Instrument shall automatically terminate upon the holder of the Purchase Mortgage or Refinance Mortgage holder's acquisition of title provided that (1) the Lender has been given written notice of a default under the Purchase Mortgage or Refinance Mortgage and (2) Lender shall not have cured the default under the Purchase Mortgage or Refinance Mortgage within the time period permitted for a cure by the Borrowers. Nothing herein shall release the Borrowers from personal liability for amounts due under the Note or hereunder in the event title is transferred pursuant to a deed in lieu of foreclosure.

In the event of a default of this Security Instrument, Lender shall provide to the holder of a Purchase Mortgage or Refinance Mortgage, a copy of the written default notice and any notice of acceleration sent by Lender to Borrowers.

15. Release. Upon payment of all sums secured by this Security Instrument or forgiveness of the Note and Security Instrument at the end of the five (5) year period commencing upon Borrowers execution of this Note and Security Instrument, or forgiveness under other conditions set forth in this Security Instrument, Lender shall release this Security Instrument, without charge, to Borrowers. Borrowers shall pay any recording costs. Following release of this Security Instrument, any provisions herein or any provisions in any other collateral agreement or document restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no effect on Borrowers or any subsequent owners or purchasers of the Property.

16. **Redemption Period**. If this Security Instrument is foreclosed, the redemption period after the date that the judicial sale is confirmed shall be one (1) month.

17. **Notices**. Any notice to Borrowers provided for in this Security Instrument shall be given by delivering it or by mailing it by certified mail, return receipt requested, or by hand-delivery, unless applicable law requires use of another method. The notice shall be directed to **88 Verano Loop, Santa Fe, New Mexico 87508** or any other address Borrowers designate by written notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address at **102 Grant Avenue, Santa Fe, New Mexico 87504**, or any other address Lender designates by notice to Borrowers. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrowers or Lender when given, as provided in this paragraph.

18. **Governing Law; Severability**. This Security Instrument shall be governed by federal law and the law of the State of New Mexico. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end, the provisions of this Security Instrument and the Note are declared to be severable.

19. **Environmental Compliance.** Borrowers are, and shall remain, until this Security Instrument is canceled, released, reconveyed, or discharged, the "owner and operator" of the Property within the meaning of, and for the purpose of, 42 U.S.C. Section 96-1(20)(A). At its sole cost and expense, Borrowers shall comply with any and all federal, state, and local laws, rules, regulations, or orders with respect to environmental regulation, protection, or remediation (collectively, "Environmental Laws"), shall pay immediately when due the cost of removal of any hazardous and toxic substances, wastes, or materials, pollutants or contaminates, defined or regulated under any Environmental Laws (collectively, "Hazardous Substances") occurring after the date of this Security Instrument, and shall keep the Property free of any lien imposed pursuant to any Environmental Laws;

Borrowers hereby represent and warrant to Lender that there will be no future, Hazardous Substances stored or otherwise located on the Property.

Borrowers:

Alexis L. Dudley

Christina Winter

ACKNOWLEDGEMENT

State of New Mexico)
) ss.
County of Santa Fe)

The foregoing instrument was hereby acknowledged before me this 8th day of December, 2014 by Alexis L. Dudley, Qualifying Grantee.

Rosemary L. Bailey
Notary Public

My commission expires:
7/22/2017

ACKNOWLEDGEMENT

State of New Mexico)
) ss.
County of Santa Fe)

The foregoing instrument was hereby acknowledged before me this 8th day of December, 2014 by Christina Winter, Qualifying Grantee.

Rosemary L. Bailey
Notary Public

My commission expires:
7/22/2017

EXHIBIT A
Legal Description of Property

Lot 14 Block 22 El Dorado Subdivision Unit 3, T15N R 10E Section 7 otherwise known as 88 Verano Loop, Santa Fe, NM 87508.

EXHIBIT B
PROMISSORY NOTE

$10,000.00 **Date: December 8, 2014**

For Value Received, the undersigned, **Alexis L. Dudley and Christina Winter, two single women,** ("Borrowers") of **88 Verano Loop, Santa Fe, New Mexico 87508,** described more particularly as set forth on Exhibit A hereto, ("Property") promise to pay to the order of **the Board of County Commissioners of Santa Fe County** ("Lender"), the principal sum of **Ten Thousand Dollars ($10,000.00)** ("Principal"), with five percent (5%) simple interest accruing on the unpaid Principal balance during the five (5) year Affordability Period, pursuant to that certain Mortgage of even date between the parties.

If Borrowers retain ownership of the Property and reside on the Property for a period of five (5) years following execution of this Note, this Note shall be cancelled upon request of the Borrowers. This Note may also be cancelled on request of the Borrowers, with the consent of the Lender in its absolute and sole discretion, if the Property is transferred (by sale or otherwise) to a person of low or moderate income as established by operation of Ordinance No. 2011-3 and the regulations authorized there under, and the transferee agrees to execute a mortgage and Note containing the same or similar terms.

The Note may also be cancelled if the Property is transferred as a result of the death of the Qualifying Grantees or is transferred by devise of operation of law to the Qualifying Grantees' relation by blood or marriage within the third degree, or is transferred as a result of a marital settlement agreement, operation of bankruptcy or other insolvency laws.

In addition to the protections of the Lender described in this Note, this Note is secured by a Mortgage of even date. The Mortgage describes how and under what conditions Borrowers may be required to make immediate payments in full of all amounts Borrowers owe under the terms of this Note. Any failure by the Borrowers to observe or perform, as the case may be, any of the covenants or agreements contained in the Mortgage shall be deemed a default in the terms of this Note.

Failure to perform any obligation or covenant in this Note or within the Mortgage, or if Borrowers have made any false statement or representation in the Note or Mortgage, if a receiver or a general assignment for the creditors is made by the Borrowers, or if bankruptcy or insolvency proceedings are instituted by the Borrowers, or the Borrowers permit the impairment of the Property by loss, theft, damage, levy and execution, or destruction, unless it is promptly replaced with property of like kind and of equal or greater value or restored to its former condition, shall be events of default under this Note.

Presentment, notice of dishonor, and protest are hereby waived by Borrowers. "Presentment" means the right to require the Lender to demand payment of amounts due. "Notice of dishonor"

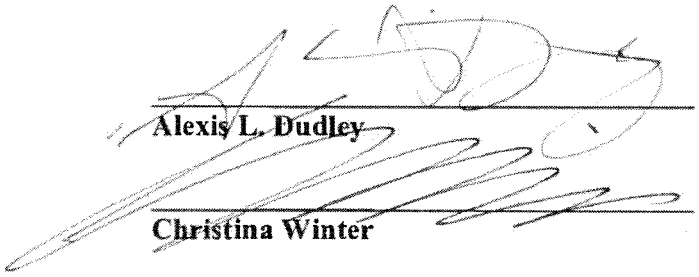
means the right to require the Lender to give notice to other persons that amounts due have not been paid.

This Note shall be binding upon the Borrowers and its' successors and assigns. Borrowers shall be jointly and severally liable under this Note.

Any notice to Borrowers provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested, addressed to Borrowers at **88 Verano Loop, Santa Fe, New Mexico 87508** or to such other address as Borrowers may designate by written notice to the Lender. Any notice to the Lender shall be sent by registered or certified mail and shall be deemed to have been given and received seventy-two (72) hours after the same is so addressed and mailed postage prepaid, to the Lender at **102 Grant Avenue, Santa Fe, New Mexico 87504** or at such other address as may have been designated by subsequent written notice of Borrowers.

The indebtedness evidenced by this Note is the joint and several obligation of each Borrower, if there is more than one Borrower. The indebtedness evidenced by this Note is secured by a Mortgage, dated of even date with this Note, and reference is made to the Mortgage for rights of Lender with regard to enforcement of the promises evidenced by this Note.

Borrowers:



Alexis L. Dudley

Christina Winter